

ALGOMA CENTRAL CORPORATION

Modern Slavery Report

For the Year Ended December 31, 2023



Your Marine Carrier of Choice™

Modern Slavery Statement 2023

1. Introduction

This is the Modern Slavery Report issued by Algoma Central Corporation Corporation No. 248849-3, BN 100132067 ("Algoma" or "the Company") for the activities during the year ended December 31, 2023, under the *Fighting Against Forced Labour and Child Labour in Supply Chains Act and to Amend the Customs Tariff* ("the Act" or "Bill S-211"), published by the Ministry of Public Safety Canada. All amounts below are reported in thousands of Canadian dollars.

This report is considered a joint report and includes the Company's own actions and those of our subsidiaries or the entities in which we control. The information provided in this report generally applies to all entities we control.

Algoma includes the following wholly owned subsidiaries:

- Algoma Tankers Limited, Corporation No. 1187317-2, Business Number 872675491
- Algoma Ship Tech Ltd., Corporation No. 1015054-1, Business Number 723042123
- Algoma Tankers Chartering Limited, Corporation No. 1418687-7, Business Number 714912805

2. Structure, Activities, and Supply Chains

Structure

Algoma Central Corporation was incorporated in 1899 by a Special Act of the Parliament of Canada as Algoma Central Railway Company and was continued under the Canada Business Corporations Act in 1986. The name of the Company was changed to The Algoma Central and Hudson Bay Railway Company in 1901, to Algoma Central Railway in 1965 and to Algoma Central Corporation in 1990.

Algoma is part of the marine transportation sector and is engaged in the movement of raw materials in bulk by marine vessel primarily in the Great Lakes - St. Lawrence Seaway and Atlantic Canada.

Algoma is a Canadian public company listed for trading on the Toronto Stock Exchange (TSX:ALC).

The Company's executive offices are located in St. Catharines, Ontario. The Company employs approximately 1,600 people globally and has assets at December 31, 2023 of \$1,344,156 and 2023 revenues of \$721,220.

Activities

The key activities of the Company are as follows:

1. Domestic Dry-Bulk consists of Canadian flagged dry-bulk vessels and ship management services. The dry-bulk vessels operate within the Great Lakes, St. Lawrence Seaway, and Atlantic Canada. The vessels are designed to carry a variety of dry-bulk products including iron ore, grain, coal and coke, salt, and aggregates.
2. Product Tankers consist of Canadian flagged vessels which operate within the Great Lakes, St. Lawrence Seaway and Atlantic Canada. Customers include major oil refiners, leading wholesale distributors and large consumers of petroleum products. The segment also includes the Company's 50% interest in a international joint venture comprising ten tankers currently under construction and a 67% interest in a foreign-flagged tanker operating in Northern Europe.
3. Ocean Self-Unloaders consists of direct ownership of ocean-going dry-bulk self-unloading vessels and interest in one other self-unloader that trades worldwide.
4. Global Short Sea Shipping consists of three global fleets; a fleet of specialized cement carriers and a fleet of short sea mini-bulkers and a fleet of handy-size bulkers that are part of a sales and purchase platform.

Supply Chains

Our supply chains involving our direct (Tier 1) suppliers can be broadly grouped as goods/equipment and services.

Goods and Equipment:

Algoma acquires goods and equipment ranging from, but not limited to:

- fuel and energy supplies, maintenance and repair supplies, environmental protection equipment, safety equipment, navigation and communication equipment, and food and provisions.

Services

Algoma acquires services ranging from, but not limited to:

- repair and maintenance, food and provision delivery, bunkering, port and terminal operations, stevedoring, laundering, and crew transportation.

Additional information on the Company, including its 2023 Annual Financial Statement and Annual Information Form, is available on SEDAR's website at www.sedarplus.ca and on the Company's website at www.algonet.com.

3. Policies and Due Diligence

There are several policies, processes, and practices across Algoma which minimize the risk of forced labour or child labour practices in our supply chains.

Policies

Algoma's human resources, finance, operations, and legal teams, ensure compliance with laws and internal policies. Policies like the Code of Conduct, Workplace Harassment and Violence Prevention Policy, and Corporate Disclosure Policy, promote ethical business practices across the organization.

All employees, officers, and directors of the company are required to confirm their commitment to Algoma's Code of Conduct annually and are expected to act in alignment with the company's core values. The Code of Conduct includes:

- Commitments to compliance with all laws, regulations and policies that apply to the company and its employees
- Guidance on Confidentiality of Information and Conflicts of Interest
- Commitments related to Respect in the Workplace
- Guidance on Fair Dealing
- Prohibition on Bribery
- Commitment to compliance with Anti-Money Laundering Laws

Beginning in 2024, the Code of Conduct sign-off will also include commitment on employee familiarity and adherence of the Act, Algoma's associated policies and practices, and the immediate reporting of any concerns.

The Company provides for confidential reporting of known or suspected breaches of the Code of Conduct or other concerns through good faith reporting to the Vice-President, Human Resources, or ClearView Connects which allows for anonymous reporting. ClearView is available for use by Algoma employees and suppliers. Any disclosures reported are investigated internally and, where appropriate, with the assistance of external advisers.

ClearView reports can be made via the following methods:

1. Online through its secure and confidential reporting website www.clearviewconnects.com
2. By telephone at 1-866-846-7659
3. By mail through the confidential P.O. Box at: ClearView Connects P.O. Box 11017 Toronto ON M1E 1N0

Due Diligence

While recognizing limitations in fully investigating all supplier activities, Algoma actively seeks ways to mitigate the risk of forced labour or child labour practices in our supply chains. Algoma is committed to complying with the measures and the intent of the Act, in order to prevent and reduce the risk that forced labour or child labour be used at any step in the procurement of goods or those imported into Canada.

We have implemented the following elements of due diligence in relation to forced labour or child labour into our processes:

- Embedding responsible business conduct into policies and management systems; and
- identifying and assessing adverse impacts in operations, supply chains, and business relationships.

Despite evaluating forced labour or child labour in our supply chains as low risk, prevention measures are in place. Included in those measures are the responsible and ethical business practices outlined in our Code of Conduct as well as our related policies and procedures, which incorporate a comprehensive review of our suppliers. As part of this commitment towards preventing the exploitation of vulnerable individuals in the global supply chain, employees must become familiar with and adhere to the Act and Algoma's associated policies and practices, and immediately report any concerns.

4. Supply Chain Risks

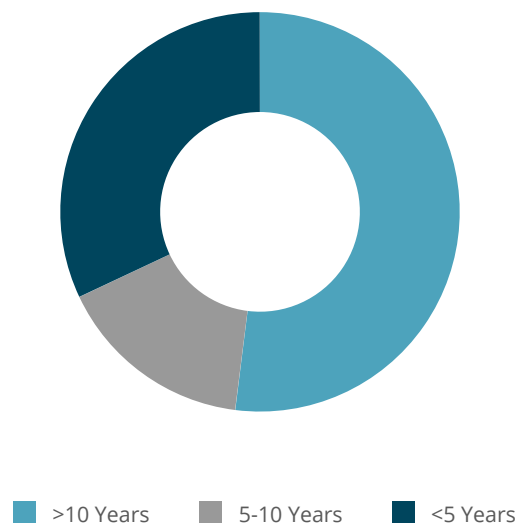
Algoma considers that the nature and location of its operations means that the risks of forced labour or child labour practices in its supply chains are low. Similarly, Algoma's risk of involvement in modern slavery practices by its suppliers is considered low, as assessed by the company's review of suppliers' evaluations of their own modern slavery risks and our understanding of their operations. The majority of Algoma's purchasing of parts and services is governed by the International Association of Classification Societies ("IACS") and Transport Canada requirements for approved vendors and suppliers. Nonetheless, Algoma remains committed to taking steps to identify and address potential incidents of forced labour or child labour in our supply chains.

The majority of our suppliers are in countries with high standards of protection for employees and the rights of individuals and do not pose a high degree of risk of forced labour or child labour practices. We acquire goods and equipment, and services from reputable, well-known suppliers who also primarily operate in countries with proportional protections for employees and other individuals. Our primary suppliers are located in Canada and the United States and the majority of our suppliers have been doing business with the Company for more than 10 years.

For the purpose of this evaluation, the criteria was set at more than \$50 spend in Canadian dollars in 2023 which totaled 345 suppliers. 40 out of the 345 suppliers make up 80% of the total spend. The table and graph below are representative of this criteria:

Supplier Location	
Country	Number
Canada	207
United States	76
Netherlands	9
China	9
Germany	6
Denmark	6
Norway	5
Singapore	4
United Kingdom	4
Japan	4
Turkey	3
Korea	3
Portugal	2
United Arab Emirates	1
Australia	1
Spain	1
Finland	1
India	1
Malta	1
Sweden	1
Total	345

Number of Years in Business with Supplier



While we have a very low number of suppliers operating in countries where the risk of forced labour or child labour is higher, we have put in place measures to monitor the nature of these activities to ensure the risk of modern slavery is managed, including the following:

- Our purchasing and operations teams visit many suppliers at their facilities. In 2024, we will be recording and tracking all in-person site visits;
- with many projects on-going globally, we take the opportunity to visit suppliers when visiting newbuild projects or attending shipyards. These sites have Algoma hired representation, including Algoma employees and European contractors; and
- all in-bound shipments to Canada have to clear customs. In 2024, we will monitor the country of origin on the broker's paperwork to identify any country of origins that pose a modern slavery risk.

Suppliers utilized prior to 2023 by the companies listed in section 1 of the report, were polled through a Know Your Vendor ("KYV") Form to obtain confirmation and attestation of the following questions related to forced labour or child labour:

1. If you are listed as an approved service provider with the following classification societies, please select all that apply;
2. please select all Quality Certifications that have been accredited to your company;
3. does your company publish, document and enforce internal health, safety and security policies to ensure the safety of its employees;
4. An Act to enact the *Fighting Against Forced Labour and Child Labour in Supply Chains and to amend the Customs Tariff* will come into force on January 1, 2024. As such please confirm your company verifies the age of its employees to ensure that all employees are of a legal minimum age;
5. does your company operate in a high-risk country, such as conflict zones or jurisdictions where it is well-known laws are incompatible with key international human rights standards;
6. in the past two years has your company (or any of its officers or employees) been subject to any investigation, inquiry or enforcement proceedings by any governmental or regulatory authority regarding any alleged human rights abuses, environmental malfeasance or financial malfeasance; and
7. if your company hires third-party contractors, please outline what measures are implemented to ensure said contractors adhere to all of the above.

5. Remediation Measures

The activities within our supply chains carry a low risk of forced labour or child labour being used and remediation is considered not applicable.

6. Loss of Income

Algoma has assessed that vulnerable families have not incurred any income losses due to the measures implemented to eliminate forced labour or child labour risks. This determination is based on the fact that no specific actions have been necessary in this area. We believe this is indicative of the effectiveness of our initiatives in safeguarding against such risks and the processes in place to monitor suppliers operating in countries where the risk of forced labour or child labour is higher.

7. Training

Algoma has developed training, including familiarization and adherence of the Act, for employees, including senior management, who have close involvement with procurement. This training includes a sign-off that employees have read and understood the materials and will adhere to the Act. The eight employees who have procurement responsibilities, signed-off that they had completed the training and participated in a group follow-up discussion in 2023. Internally developed, this training aims to enhance awareness regarding forced labour or child labour practices, serving as a proactive measure to mitigate the risk of modern slavery within our operations.

Further steps in 2024:

- The training, as noted above, will be rolled out through our online training platform and incorporated into our annual Code of Conduct sign-off which is mandatory for all employees.

8. Effectiveness Assessment

In 2023, Algoma reviewed all completed KYV forms, focusing on major suppliers (with an annual spend exceeding \$50). The forced labour or child labour risks disclosed by the majority of these suppliers, including those in Canada and overseas (primarily the US and Europe), were found to be low. This assessment, aligning with Algoma's expectations for large organizations operating in jurisdictions with comparable legal systems, covered supply chains detailed in section 2 of this report. Most suppliers reported no material risks of modern slavery. For the 11 vendors marking "not applicable" on their KYV forms, follow-up investigations confirmed low risk regarding forced labour or child labour practices.

Another way in which Algoma assesses its effectiveness in addressing modern slavery practices is using its confidential reporting platform ClearView, given it is available to suppliers, as well as employees. There have been no complaints raised through that channel relating to forced labour or child labour practices.

The due diligence processes described above provide a method of managing the risks; however, we will continue to look at ways to enhance our capability to identify any risks indicators within our supply chains and our capability to investigate and address any concerns.

Current and next steps:

- Added a forced labour or child labour sign-off to our Code of Conduct which will be rolled out to all employees in 2024;
- all suppliers on-boarded prior to 2023 have been polled through our KYV forms to obtain attestation of no known forced labour or child labour practices in their business;
- conducted forced labour or child labour training relating to the Act internally with employees with close involvement with procurement. We will continue to roll out relevant training to all employees in 2024;
- in 2024, we are setting up a regular review of our policies and procedures related to forced labour or child labour practices;
- in 2024, we will change our purchase order terms and references to include a statement regarding the Act and our ClearView confidential reporting platform; and
- in 2024, we will monitor the country of origin on the broker's paperwork to identify and country of origins that have a higher risk of modern slavery practices.

Algoma will continue to review our approach and continuously improve our processes to respond to the risks of forced labour or child labour in our supply chains. The Company has not received any complaints of any modern slavery issues or notifications from its suppliers of identification of modern slavery practices.

9. Approval and Attestation

This statement was approved by the Board of Directors of Algoma Central Corporation on February 23, 2024. This statement is signed by Gregg A. Ruhl as the President and Chief Executive Officer of Algoma Central Corporation and Richard B. Carty, Director and Chair of the Corporate Governance Committee of Algoma Central Corporation on the date shown below.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Gregg A. Ruhl, President and Chief Executive Officer
Algoma Central Corporation
Date: February 23, 2024

I have the authority to bind Algoma Central Corporation.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entities listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate, and complete in all material respects for the purposes of the Act, for the reporting year listed above.



Richard B. Carty, Director and Chair, Corporate Governance Committee
Algoma Central Corporation
Date: February 23, 2024

I have the authority to bind the Board of Directors of Algoma Central Corporation.



Your Marine Carrier of Choice™

2023